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Vietnam

Grain and Feed

Rice Lock-up Report - Monthly 2007

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Report Highlights: The Ministry of Agriculture and Rural Development has revised the 2007 Winter-Spring production estimates up 300,000 metric tons in view of improved average yields in the Mekong River Delta. Revised PS&D is included.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Hanoi [VM1]
[VM]

Executive Summary

Although the total Winter–Spring production area, as of April 2007, is about 23,000 hectares less than the same period last year, the Ministry of Agriculture and Rural Development (MARD) has revised the 2007 Winter-Spring production estimate up 300,000 metric tons. MARD cites improved and higher average yields in the Mekong River Delta (MRD) as the basis for this increase in production.

Given the production increase in the Mekong River Delta and higher world prices, Vietnam Food Association is now more optimistic about Vietnam's 2007 rice production and projects that exports should reach 5 million metric tons; an increase of 0.5 million ton over the earlier forecast.

Statistics Tables

Vietnam's Production, Supply and Demand for rice

Country	Vietnam								
Commodity	Rice, Milled		Units: (1000 HA) (1000 MT) (MT/HA)						
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008
Area Harvested	7314	7314	7314	7305	7305	7290	0	7350	7350
Beginning Stocks	4164	1150	1150	4331	1317	1317	3901	1037	1301
Milled Production	22772	22772	22772	22770	22770	23034	0	22994	22994
Rough Production	34503	34503	34503	34500	34500	34900	0	34839	34839
Milling Rate (.9999)	6600	6600	6600	6600	6600	6600	0	6600	6600
MY Imports	350	350	350	300	450	450	0	450	450
TY Imports	350	350	350	300	450	450	0	450	450
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	27286	24272	24272	27401	24537	24801	3901	24481	24745
MY Exports	4705	4705	4705	5000	5000	5000	0	4600	4800
TY Exports	4705	4705	4705	5000	5000	5000	0	4600	4800
Total Consumption	18250	18250	18250	18500	18500	18500	0	18750	18750
Ending Stocks	4331	1317	1317	3901	1037	1301	0	1131	1195
Total Distribution	27286	24272	24272	27401	24537	24801	0	24481	24745
Yield (Rough)	4.717391	4.717391	4.717391	4.722793	4.722793	4.78738	0	4.74	4.74

Vietnam's Rough Rice Area, Yield and Production (Revised April, 2007)

Marketing Year	2005 Revised		2006 Estimate		2007 Forecast	
Harvested Area (tha)	Old	New	Old	New	Old	New
Lua Mua (10 th Month)	2,070	2,020	2,025	2,025		2,010
Winter-Spring	2,980	2,993	2,985	2,970		2,995
Summer-Autumn	2,380	2,301	2,295	2,295		2,345
TOTAL	7,430	7,314	7,305	7,290		7,350
Yield (mt/ha)						
Lua Mua (10 th Month)	3.73	4.14	4.13	4.13		4.16
Winter-Spring	5.75	5.62	5.60	5.76		5.63
Summer-Autumn	4.17	4.05	4.10	4.10		4.11
TOTAL	4.68	4.72	4.72	4.79		4.74
Production (tmt)						
Lua Mua (10 th Month)	7,721	8,354	8,370	8,370		8,360
Winter-Spring	17,135	16,819	16,718	17,119		16,850
Summer-Autumn	9,918	9,330	9,411	9,411		9,629
TOTAL	34,774	34,503	34,500	34,900		34,839

Source: Post's estimation

I. Production Update:

As noted in the 2007 Grain and Feed annual, Vietnam's 2007 rice production began with the Winter-Spring crop in the Mekong River Delta. As much as one-third of the early planting, 10,000 – 15,000 hectares, had to be destroyed and the area replanted, due to leaf blight/ leaf stunt disease from the brown plant hopper. Farmers in the remaining production area wisely delayed planting for 15-30 days to avoid transmission of pests from the old crop to the new one. Consequently, the harvest was about 30 days later than usual. The total production area for the 2007 Winter-Spring crop in the Mekong River Delta increased slightly over 2006, by about 5,000 hectares.

As of the end of April 2007, the Winter-Spring crop in the Red River Delta (North Vietnam) is estimated to be 28,000 hectares less than 2006. This loss in production can be attributed to a shift from rice to crops that require less water and are better suited to the soil by some farmers in the region.

The Ministry of Agriculture and Rural Development (MARD) has revised the estimate for total 2007 Winter-Spring production up 300,000 metric tons. Improved yields in the Mekong River Delta (MRD) account for about 200,000 metric tons of this amount. The Winter-Spring harvest is almost complete in the MRD, where estimates of average yields have been as high as 6.12 metric tons per hectare, and the paddy yield in some provinces in the region has reached a record 7.0 metric tons per hectare.

II. Export Target from Vietnam Food Association (Vietfood) Revised Up

The Vietnam Food Association had set an earlier export target of 4.5 million metric tons for 2007 Vietnam rice exports in light of the losses from pest infestation in the Mekong River Delta at the start of the year. Current reports are, however, that Vietfood is now more optimistic about rice production and estimates that exports will reach 5.0 million metric tons, given the improved yields in the Mekong River Delta and more attractive world paddy price.

III. Policy

The Prime Minister has tasked the Ministry of Trade with quarterly control of rice exports in order to maximize export values while safeguarding national food security. Export quantity is controlled by the Rice Export Administration, of which Vietfood is a member, and the Deputy Minister of Trade is the chair. This body also includes members from the Office of the Prime Minister, the Ministries of Finance (MOF), Agriculture and Rural Development (MARD), Planning and Investment (MPI), and the State Bank of Vietnam.

End of Report